

**WHAT IS CLAIMED IS:**

- 1 1. A method for collecting sales and/or use taxes on remote sales, said method  
2 includes the steps of:
  - 3 a) collecting by sellers information regarding remote sales made by buyers;
  - 4 b) calculating securely the correct taxing jurisdictions sales and/or use tax to be  
5 paid by buyers for remote sales;
  - 6 c) collecting by sellers from buyers the correct sales and/or use tax;
  - 7 d) transmitting by a seller to a taxing jurisdiction the aggregate totals of sales and  
8 use tax transactions; and
  - 9 e) collecting by a taxing jurisdiction the correct sales and/or use tax received by  
10 sellers.
- 1 2. The method claimed in claim 1, further including the step of: transmitting from the  
2 seller to the taxing jurisdiction a log of all sales and use tax transactions.
- 1 3. The method claimed in claim 2, wherein a seller is given notice that a taxing  
2 jurisdiction is studying its log of all sales and use tax transactions.

1 4. The method claimed in claim 3, wherein a seller may review the seller's log  
2 of sales and/or use taxes collected before the taxing jurisdiction studies the  
3 seller's log of sales and/or use taxes collected.

1 5. The method claimed in claim 3, wherein a taxing jurisdiction may access  
2 the log of sales and/or use taxes collected only after specified time period has  
3 passed.

1 6. The method claimed in claim 1, further including the step of:  
2 reporting to the taxing jurisdictions the taxes that have been collected.

1 7. The method claimed in claim 1, further including the step of:  
2 filing tax returns for sellers with the taxing jurisdictions for the taxes that have  
3 been collected.

1 8. The method claimed in claim 1, further including the step of: identifying  
2 potentially seller fraudulent behavior by running various checks of the segmented  
3 information.

1 9. The method claimed in claim 8, further including the step of: identifying a  
2 strange drop-off in the number of seller transactions in the segmented  
3 information.

1 10. The method claimed in claim 8, further including the step of: examining the  
2 history of seller transactions in the segmented account to determine seller trends.

1 11. The method claimed in claim 8, further including the step of:  
2 comparing the transaction volume, dollar volume and transaction types relative to  
3 other similar sellers.

1 12. The method claimed in claim 8, further including the step of: identifying an  
2 inordinate number of cancelled transactions in the segmented transactions.

1 13. The method claimed in claim 8, further including the step of:  
2 establishing watermarks for different types of businesses to identify an inordinate  
3 amount of returned merchandise for a particular type of business.

1 14. The method claimed in claim 8, further including the step of: identifying  
2 patterns that indicate that a seller may not be reporting the entire amount of  
3 taxes collected.

1 15. The method claimed in claim 8, further including the step of: examining  
2 cancelled transactions.

1 16. The method claimed in claim 1, further including the step of:  
2 receiving responses from buyers indicating acceptance of the sale.

1 17. The method claimed in claim 1, further including the steps of:  
2 purchasing by one of the taxing jurisdictions goods and/or services from the  
3 seller;  
4 transmitting from the seller to the purchasing taxing jurisdiction a log of specified  
5 sales and use tax transactions; and  
6 comparing the taxes charged by the seller for the goods and/or services  
7 purchased by the seller with the log of transactions.

1 18. The method claimed in claim 17, further including the steps of:  
2 determining if the seller has reported the appropriate information to the taxing  
3 jurisdiction.

4 19. The method claimed in claim 18, further including the step of:  
5 establishing improper behavior by the seller when the information reported to the  
6 taxing jurisdiction differs from the information obtained by the taxing jurisdiction  
7 from the seller for the goods and/or services purchased by the taxing jurisdiction.

1 20. The method claimed in claim 17, further including the steps of:  
2 determining if the seller has reported all appropriate taxes to the taxing  
3 jurisdiction.

1 21. The method claimed in claim 17, wherein the taxing jurisdiction utilizes an agent  
2 to purchase the goods and/or services.

1 22. The method claimed in claim 17, wherein the taxing jurisdiction utilizes an alias to  
2 purchase the goods and/or services.

- 1 23. The method claimed in claim 1, wherein buyers are given a receipt for the taxes  
2 they have paid.